

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

**CODE OF VIRGINIA
§ 45.1-361.26**

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds ☐
(and Authorization for Direct Payment of Royalties)

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: X37

TRACT(S): 1c, 1d

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-98-0324-0633-01

APPLICANTS: CNX Gas Company LLC on behalf of Donald Ray Young, Hurt McGuire Land Trust c/o
Charles Green

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia ☐
May 20, 2014

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 05/26/1998, Recorded on 06/05/1998, Deed Book/Instrument No. 477, Page 1.
2. Supplemental Order Executed 08/28/1998, Recorded on 09/02/1998, Deed Book/Instrument No. 481, Page 194.

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the May 20, 2014 hearing and considered whether to:

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(1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1c, 1d identified in the attached petition.

(2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1c, 1d relative to the interests of the Applicants identified in the attached petition.

(3) Continue the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

Hurt McGuire Land Trust and Donald Ray Young have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid.

RELIEF GRANTED:

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VGOB Disbursement
Unit X37

VGOB-98-0324-0633-01

Table 1
Tracts: 1c, 1d

			Fractional Ownership	Net Acreage Ownership	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed
VGOB Disbursement Unit X37							
VGOB-98-0324-0633-01							
Table 1							
Tracts: 1c, 1d							
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				20.34000	
1C Tract 1C (total acreage)				4.83			
1	1C	Hurt McGuire Land Trust c/o Charles Green\P.O. Box 1067, Bluefield, VA 24605		4.8300	50.00%	2.4150	11.8732%
2	1C	Donald Ray Young\905 Willis Gap Rd., Ararat, VA 24053		4.8300	50.00%	2.4150	11.8732%
1D Tract 1D (total acreage)				3.61			
1	1D	Hurt McGuire Land Trust c/o Charles Green\P.O. Box 1067, Bluefield, VA 24605		3.6100	50.00%	1.8050	8.8741%
2	1D	Donald Ray Young\905 Willis Gap Rd., Ararat, VA 24053		3.6100	50.00%	1.8050	8.8741%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.

2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

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DONE AND EXECUTED this 28 day of May, 2014 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert

DONE AND PERFORMED this 28 day of May, 2014 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

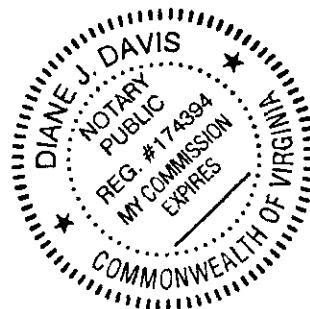
COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 28th day of May, 2014, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.



Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2017



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BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 98-0324-0633-01

RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) 1c, 1d
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES

HEARING DATE: May 20, 2014

DRILLING UNIT: X37

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd, Bluefield, WV 24701, (304)323-6500. Petitioner's counsel is Mark A. Swartz, Swartz Law Offices, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808..

2. Relief Sought

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 1C & 1D as depicted upon the annexed Table 1 and (2) authorization to begin paying royalties directly to the parties to the royalty split between Hurt McGuire Land Trust and Donald Ray Young and (3) Division of Tract 1A due to a title update resulting in two tracts labeled on the revised Exhibit A ("Plat") and Tract Identification Page as Tract 1A and new Tract 1H

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

5. Factual basis for relief requested

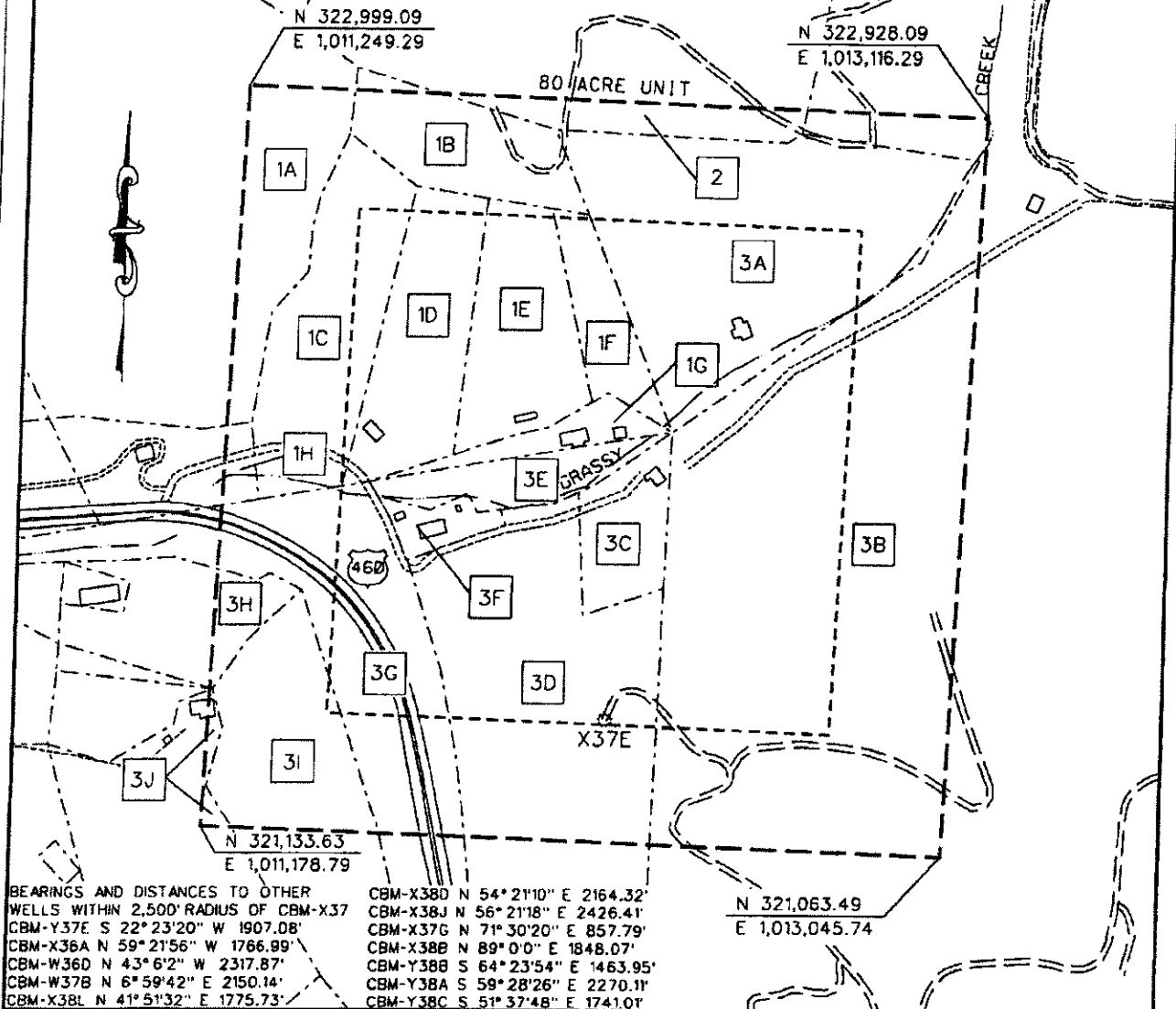
Hurt McGuire Land Trust and Donald Ray Young have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Table 1, further, specifies how said royalties are to be divided and paid.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

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Property lines shown on this plat were provided by CNX Gas Company LLC and were taken from deed descriptions and chains of title of record. This does not represent a current boundary survey. This certification is as to the size, shape and location of the proposed unit.



Company CNX Gas Company LLC Well Name and Number UNIT X37
 Tract No. Elevation Quadrangle KEEN MOUNTAIN
 County BUCHANAN District GARDEN Scale: 1" = 400' Date
 This plat is a new plat X ; an updated plat ; or a final plat

Form DGO-GO-7 (Affix Seal)
 Rev. 9/91 Licensed Professional Engineer or Licensed Land Surveyor

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CNX Gas Company LLC

UNIT X 37

Tract Identification

- 1A. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC – Surface, Oil and Gas
3.21 Acres 4.0125%
- 1B. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
Oris Cantrell Heirs – Surface, Oil and Gas
2.64 Acres 3.3000%
- 1C. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
Donald R. Young – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Linda Marie Young Pilson - Surface
4.83 Acres 6.0375%
- 1D. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
Donald R. Young – Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
Linda Marie Young Pilson - Surface
3.61 Acres 4.5125%
- 1E. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
Patrick Counts – Surface, Oil and Gas
3.35 Acres 4.1875%
- 1F. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC – Oil and Gas
Unknown Surface Owner
1.45 Acres 1.8125%

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

140000998

CNX Gas Company LLC

UNIT X 37

Tract Identification

- 1G. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
Grady McGlothlin, et ux – Surface, Oil and Gas
0.88 Acres 1.1000%
- 1H. Hurt McGuire Land Trust (Lewis Osborne 628.41 Acre Tract) – Coal
Island Creek Coal Company – Coal below Tiller Seam Leased
Jewell Smokeless Coal Company – Tiller and above Coal Leased
CNX Gas Company LLC – CBM Leased
CNX Gas Company LLC – Surface, Oil and Gas
OR
Elmer R. Pruitt, et ux – Surface, Oil and Gas
CNX Gas Company LLC – Oil, Gas and CBM Leased
0.37 Acres 0.4625%
2. Commonwealth Coal Corporation Tract 1 (40.87 Acre Tract) – Coal & Gas
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Coal In Tiller and Above Leased
CNX Gas Company LLC – CBM Leased
Oris Cantrell Heirs – Surface
1.03 Acres 1.2875%
3. Commonwealth Coal Corporation Tract 2 (965.00 Acre Tract) – All Minerals
Reserve Coal Properties Company – Below Drainage Coal Leased
Knox Creek Coal Corporation – Coal In Tiller and Above Leased
CNX Gas Company LLC – Oil, Gas and CBM Leased
58.63 Acres 73.2875%
- 3A. Unknown Surface Owner
3B. Commonwealth Coal Corporation – Surface
3C. Unknown Surface Owner
3D. Unknown Surface Owner
3E. Unknown Surface Owner
3F. Unknown Surface Owner
3G. Commonwealth of Virginia – Surface
3H. Unknown Surface Owner
3I. Unknown Surface Owner
3J. Unknown Surface Owner

"This title block is for general informational purposes only and does not reflect an analysis of the severance deed and its effect upon coal bed methane ownership and should not be relied upon for such purpose."

VGOB Disbursement
Unit X37

VGOB-98-0324-0633-01

Table 1
Tracts: 1c, 1d

Item	Tract	Disbursement Table	Fractional Ownership in Tract	Net Acreage Ownership in Tract	Royalty Split Agreement	Escrowed Acres Disbursed	Percent of Escrowed Funds Disbursed	Disbursement
		Total acreage in escrow before disbursement				20.34000		
1C Tract 1C (total acreage)			4.83					
1	1C	Hurt McGuire Land Trust c/o Charles Green\P.O. Box 1067, Bluefield, VA 24605		4.8300	50.00%	2.4150	11.8732%	\$5,317.78
2	1C	Donald Ray Young\905 Willis Gap Rd., Ararat, VA 24053		4.8300	50.00%	2.4150	11.8732%	\$5,317.78
1D Tract 1D (total acreage)			3.61					
1	1D	Hurt McGuire Land Trust c/o Charles Green\P.O. Box 1067, Bluefield, VA 24605		3.6100	50.00%	1.8050	8.8741%	\$3,974.57
2	1D	Donald Ray Young\905 Willis Gap Rd., Ararat, VA 24053		3.6100	50.00%	1.8050	8.8741%	\$3,974.57

Wells contributing to the escrow account: PGP X37E W/PL

140000998

Exhibit E
Unit X-37
Docket #VGOB-98-0324-0633-01
List of Conflicting Owners/Claimants that require escrow

140000998

	Net Acres in Unit	Interest in Unit
<u>Tract #1A - 3.21 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	3.21 acres	4.0125%
<u>OIL & GAS OWNERSHIP</u>		
(1) Elmer & Rosella Pruitt	Deeded to CNX Gas Company LLC on December 5, 2008 and recorded under instrument # 080004400.	
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	3.21 acres	4.0125%
<u>Tract #1B - 2.64 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	2.64 acres	3.3000%
<u>OIL & GAS OWNERSHIP</u>		
(1) Oris Cantrell Heirs, Devisees, Successors or Assigns	2.64 acres	3.3000%
(a) Peggy Cantrell 225 Old Abingdon Highway Bristol, VA 24201	0.88 acres 1/3 of 2.64 acres	1.1000%
(b) Patsy Amy Hess P.O. Box 922 Vansant, VA 24656	0.44 acres 1/6 of 2.64 acres	0.5500%
(c) Jamie Cantrell 112 Kennedy Drive Pounding Mill, VA 24637	0.44 acres 1/6 of 2.64 acres	0.5500%
(d) Penny Falck 2390 Glade Drive Christiansburg, VA 24073	0.44 acres 1/6 of 2.64 acres	0.5500%
(e) Penny Falck 2390 Glade Drive Christiansburg, VA 24073	0.44 acres 1/6 of 2.64 acres	0.5500%
<u>Tract #1E - 3.35 acres</u>		
<u>COAL OWNERSHIP</u>		
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	3.35 acres	4.1875%
<u>OIL & GAS OWNERSHIP</u>		
(1) Mitchell Counts	Deeded to Patrick Counts on April 1, 2005, recorded at Instrument # 10-0281 on February 11, 2010.	

Exhibit E
Unit X-37
Docket #VGOB-98-0324-0633-01
List of Conflicting Owners/Claimants that require escrow

140000998

	Net Acres in Unit	Interest in Unit
(a) Patrick Counts 1665 Riverside Drive Raven, VA 24639	3.35 acres	4.1875%

Tract #1F - 1.45 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	1.45 acres	1.8125%
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OIL & GAS OWNERSHIP

(1) Gary Davis	<i>Deeded to CNX Gas Company LLC on July 19, 2012 and recorded at Instrument # 120001414.</i>	
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	1.45 acres	1.8125%

Tract #1G - 0.88 acres

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	0.88 acres	1.1000%
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OIL & GAS OWNERSHIP

(1) Grady McGlothlin, et ux P. O. Box 955 Raven, VA 24639	0.88 acres	1.1000%
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Tract #1H - 0.37 acres

Escrow due to Title Conflict

COAL OWNERSHIP

(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	0.37 acres	0.4625%
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OIL & GAS OWNERSHIP

(1) Elmer & Rosella Pruitt	<i>Deeded to CNX Gas Company LLC on December 5, 2008 and recorded under Instrument # 080004400.</i>	
(a) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317	0.37 acres	0.4625%

- OR -

(1) Elmer R. Pruitt, et ux 2734 Riverside Dr. Raven, VA 24639-8540	0.37 acres	0.4625%
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Total Acreage in Conflict	11.90	
Total Percentage in Conflict		14.8750%

Exhibit EE
Unit X-37
Docket #VGOB-98-0324-0633-01
List of Conflicting Owners/Claimants with Royalty Split Agreements

140000998

	Net Acres in Unit	Interest in Unit	Percent of Escrow
<u>Tract #1C - 4.83 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	4.83 acres	6.0375%	11.8732%
<u>OIL & GAS OWNERSHIP</u>			
(1) Donald Ray Young 905 Willis Gap Rd. Ararat, VA 24053	4.83 acres	6.0375%	11.8732%
<u>Tract #1D - 3.61 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) Hurt McGuire Land Trust c/o Charles Green P.O. Box 1067 Bluefield, VA 24605 (Lewis Osborne 628.41 Acre Tract)	3.61 acres	4.5125%	8.8741%
<u>OIL & GAS OWNERSHIP</u>			
(1) Donald Ray Young 905 Willis Gap Rd. Ararat, VA 24053	3.61 acres	4.5125%	8.8741%
<u>TOTAL CONFLICTS RESOLVED:</u>			
	Acreage in Unit	8.44	
	Percentage of Unit		10.5500%

INSTRUMENT #140000998
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
JUNE 13, 2014 AT 10:40AM
BEVERLY S. TILLER, CLERK
RECORDED BY: GGB